

Remarks/Arguments:

Claims 1-35 are presently pending. Applicant herein amends claims 1-6, 8-18, and 20-34 and adds new dependent claim 36. Support for the claim amendments and the newly added claim can be found throughout the specification as originally filed. For example, see Fig. 13 and the related description at page 79, line 1 through page 82, line 10. No new matter has been added. Applicant respectfully requests review and reconsideration based on the above amendments and the following remarks.

Section 1 of the Office Action recites that "claims 3-4, 9, 11, 15, 20-21, 23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite." With respect to claim 3, the Office Action indicates that there is insufficient antecedent basis for the limitation "the current iteration." Applicant herein amends the feature "the current iteration" to read "a current iteration." Applicant contends that this amendment to claim 3 overcomes the rejection under 35 U.S.C. 112 and respectfully requests that this rejection of claim 3 be withdrawn.

With respect to claims 9, 11, 15, and 23, the Office Action indicates that the feature "includes data communicating with a remote location" is unclear. Applicant herein amends claims 9, 11, 15, and 23 to recite "communicating," rather than "data communicating." Applicant contends that this amendment overcomes the rejection of claims 9, 11, 15, and 23 under 35 U.S.C. 112 and, thus, requests that this rejection of these claims be withdrawn.

With respect to claim 20, the Office Action indicates that there is insufficient antecedent basis for the feature "said local authorization routine." Applicant herein amends claim 20 to recite "said local transaction authorization test," rather than "said local authorization routine." Applicant contends that this amendment to claim 20 overcomes the rejection under 35 U.S.C. 112 and, thus, requests that this rejection of claim 20 be withdrawn.

With respect to claims 4 and 21, the Office Action indicates that these claims are rejected because of their dependency to rejected claims 3 and 20. As set forth above, applicant contends that the rejections of claims 3 and 20 under 35 U.S.C. 112 should be withdrawn and, thus, the rejection of claims 4 and 21 should also be withdrawn.

Section 2 of the Office Action recites that "claims 1-17 are rejected under 35 U.S.C. 101 because the steps...do not provide a practical application of an idea resulting in a useful, concrete, and tangible result." Claim 1, as amended, recites the feature of "authorizing a

vending transaction responsive to at least one of the remote transaction authorization test or the local transaction authorization test." Applicant contends that at least this provides a useful, concrete, and tangible result. Further, claims 2-17, which ultimately depend from claim 1, also include this feature. Accordingly, applicant contends that the amendment to claim 1 overcomes the rejection of claims 1-17 under 35 U.S.C. 101. Accordingly, applicant requests that the rejection of claims 1-17 under 35 U.S.C. 101 be withdrawn.

Section 3 of the Office Action recites that "claims 1-5, 7-8, 10, 12-14, 16-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levasseur (US Patent No. 6,427,912)." With respect to claim 1, applicant contends that this claim includes at least one limitation that is not disclosed, taught, or suggested by Levasseur. Claim 1 is directed to a method of processing a cashless payment transaction. The method includes the following features:

- obtaining at an audit-credit-interactive system a plurality of card identification data;
- determining if a remote authorization attempt limit (RAAL) has been reached;
- performing a remote transaction authorization test if the RAAL has not been reached;
- performing a local transaction authorization test if the RAAL has been reached; and
- authorizing a vending transaction responsive to at least one of the remote transaction authorization test or the local transaction authorization test.

This means that card identification data is obtained by an audit-credit-interactive-system. A determination is then made if a remote authorization attempt limit (RAAL) has been reached. A remote transaction authorization test is performed if the RAAL has not been reached and a local transaction authorization test is performed if the RAAL has been reached. A vending transaction is then authorized responsive to at least one of the remote transaction authorization tests or the local authorization test. Thus, a remote authorization attempt is first performed followed by a local authorization test if a maximum number of remote authorization attempts has been reached.

This features enables a cashless payment transaction to first try to remotely authorize a card. If a remote processing bureau is unavailable or unable to authorize the card then, on a subsequent pass, a local authorization routine will be invoked. See page 79, line 26 through page 80, line 2 of the application as originally filed. The features of claim 1 can be implemented to reduce or eliminate authorization delay while maintaining high

confidence that the card is valid. See page 79, lines 1-10 of the application as originally filed.

Levasseur is directed to an off-line credit card transaction system and method for vending machines. Levasseur, however, is devoid of a system in which a remote transaction authorization test is performed if a remote authorization attempt limit has not been reached and performs a local transaction authorization test once the remote authorization test limit has been reached. Thus, Levasseur fails to disclose, teach, or suggest performing a remote transaction test if a remote authorization attempt limit has not been reached and then performing a local transaction test once the remote authorization attempt limit has been reached. Further, none of the art of record disclose, teach, or suggest this feature. Accordingly, applicant contends that claim 1 is allowable over the applied references and respectfully requests that the rejection of claim 1 be withdrawn.

Claims 2-5, 7-8, 10, 12-14, and 16-17 include all the features of independent claim 1, from which they ultimately depend. Thus, these claims are also allowable over the cited references for at least the reasons set forth above with respect to independent claim 1. Accordingly, applicant contends that claims 2-5, 7-8, 10, 12-14, and 16-17 are likewise allowable and, therefore, respectfully requests that the rejection of these claims be withdrawn.

Section 4 of the Office Action recites that "claims 6, 9, 11, 15, 18-33, and 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levasseur in view of Boston (US Patent No. 4,812,628)." With respect to claims 6, 9, 11, and 15, these claims each depend directly from claim 1 and include all the features of claim 1. The feature that was found to be lacking in Levasseur with reference to claim 1 is not found in Boston, namely, performing a remote transaction authorization test if a remote authorization attempt limit has not been reached and performing a local transaction authorization test once the remote authorization attempt limit has been reached. Boston, on the other hand, teaches performing a local evaluation and then "if the evaluation is favorable, the terminal will generate an approval 'off-line'" and "if evaluation falls beyond the limits recorded on the card, an authorization request would be sent along communication lines to the issuer." This is exactly the opposite of what is set forth in amended claim 1. Thus, Boston fails to make up for the deficiencies of Levasseur. Accordingly, applicant contends that claims 6, 9, 11, and 15 are allowable and, therefore, respectfully requests withdrawal of the rejection.

With respect to claim 18, applicant contends that claim 18 includes features that are neither disclosed nor suggested by Levasseur in view of Boston. Claim 18 is directed to a method of processing a cashless payment transaction including the following features:

obtaining at an audit-credit-interactive system a plurality of card identification data;

determining if a local authorization flag is set;

if said authorization flag is not set, performing a remote transaction authorization test;

if said local authorization flag is set, performing at said audit-credit-interactive system a local transaction authorization test of said plurality of card identification data; and

authorizing said cashless payment transaction based on at least one of said local transaction authorization test or said remote transaction authorization text.

This means that a determination is made whether a local authorization flag is set. If the local authorization flag is not set, a remote transaction authorization test is performed and if the local authorization flag is set, a local transaction authorization test is performed.

Levasseur and Boston neither alone or in combination disclose, teach, or suggest determining if a local authorization flag is set and then performing a remote authorization transaction test if the local authorization flag is not set and performing a local authorization test if the local authorization flag is set. Further, none of the art of record disclose, teach, or suggest this feature. Accordingly, since all the features of claim 18 are not disclosed, taught, or suggested by the applied references applicant contends that claim 18 is allowable over these references and that the rejection of claim 18 should be withdrawn.

Claims 19-33 and 35 include all of the features of independent claim 18, from which they ultimately depend. Thus, claims 19-33 and 35 are also allowable over the relied upon references for at least the reasons set forth above with respect to independent claim 18. Accordingly, applicant contends that claims 19-33 and 35 are likewise allowable and, therefore, respectfully requests that the rejection of claims 19-33 and 35 be withdrawn.

Section 5 of the Office Action recites that "claim 34 is rejected under 35 U.S.C. 103(a) as being unpatentable over Levasseur in view of Boston as in claim 18, above and further in view of Muftic (US Patent No. 5,850,442)." Claim 34 depends directly from claim 18 and includes all of the features of claim 18. The feature that was found to be lacking in

Levasseur and Boston is not found in Muftic. Thus, Muftic fails to make up for the deficiencies of Levasseur and Boston. Accordingly, applicant contends that claim 34 is allowable over these references and, therefore, respectfully requests withdrawal of the rejection.

New claim 36 depends from claim 18 and, thus, is allowable for at least the reasons set forth above with respect to claim 18. Further, claim 36 recites the limitations of:

determining if a remote authorization attempt limit (RAAL)
has been met; and

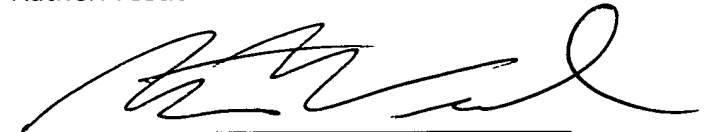
setting the local authorization flag if it is determining that
the RAAL has been met.

These features are not disclosed, taught, or suggested by the applied references. Accordingly, applicant contends that claim 36 is allowable over the applied references for at least this additional reason.

In view of the amendments and remarks set forth above, applicant respectfully submits that claims 1-36 are in condition for allowance and early notification to that effect is earnestly solicited.

Respectfully submitted,

RatnerPrestia



Jacques L. Etkowicz, Reg. No. 41,738
Stephen J. Weed, Reg. No. 45,202
Attorneys for Applicant

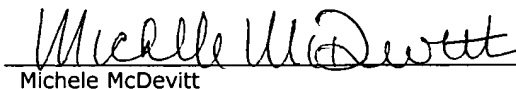
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P.O. Box 980
Valley Forge, PA 19482
(610) 407-0700

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Michele McDewitt